THE TRAVANCORE INSURANCE BILL.

Mr. Puthupalli S. Krishna Pillai: Sir, I beg to introduce the Travancore Insurance Bill as passed by the Assembly. I may be permitted to state in this connection that this Bill is based on the corresponding British Indian Insurance Act of 1938 which has now come into operation in British India. This House has on a former occasion discussed the Travancore Life Insurance Act. The Provident Insurance Societies Act was passed on an earlier occasion. There are thus, two Acts in force at present, one controlling Life Insurance business in the State and the other the Provident Insurance Societies business. It has been found in actual experience that the law relating to the life insurance carried on in the State requires further control. In the first place, better protection has to be given to the policy holders who invest their life's earnings on policies issued by foreign companies within the State. In the second place it has been found to be necessary that any speculative business carried on by life insurance companies should be prevented. Though no specific provision is made for prohibiting such an act, safeguards are provided in this Bill, in the first place, by insisting on companies carrying on life insurance in the State to make a deposit of a sum amounting to 2 lakhs of rupees. It has also been proposed that such companies should invest their life funds to a certain extent within the State. Provisions are also made for the purpose of controlling insurance agents with whom honourable members must be very familiar. While controlling their activities and proposing a system of issuing licenses to such persons, provision is made in the Bill for safeguarding the interests of the agents from the vagaries of the companies who, after being benefited by the insurance agents to a large extent, turn those people out without any compunction. Provision is made in the Bill so that in such cases the insurance agents will have a claim on the company for services rendered in the past.

Another important change that will be effected by this Bill is the one relating to the Provident Insurance Societies in the State carrying on what is called Insurance on the Dividing System. This system has been condemned by all and in British India they have taken the first step in prohibiting Insurance on this system. Government are also convinced of the necessity of introducing provisions to change that system and therefore a separate chapter devoted to the purpose of controlling the Provident Insurance Societies working in the State has been added. Here we have not followed the Indian Insurance Act in detail. Because long before the Government of India thought of legislating in this matter this Government had made ample provisions compelling the Provident

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Insurance Companies to make a deposit. There is no Provident Insurance Company working in the State that does not comply with this rule.

There is another chapter devoted to Mutual Insurance Companies and Co-operative Life Insurance Societies. Here the provisions obtainable in the British Indian Act are followed in the main. One important feature of this bill is that it furnishes us with a statute which deals with all kinds of insurance business. Large sums of money are yearly going out of the State and the Government have not been able to keep it under control or make it available for the use of the people of the State. A first attempt is made in this Bill to see if such large sums of money can be prevented from unnecessarily flowing out of the country.

These are the main principles underlying this Bill and I move that the Bill as passed by the Assembly be taken into consideration.

Mr. C. V. Chandrasekharan: Sir, I second it.

The question that the Travancore Insurance Bill be taken into consideration was put and carried.

Clauses 1 to 121 and Schedules.

The question that Clauses 1 to 121 and the 6 schedules following them form part of the Bill was put and carried.

Clauses 1 to 121 and the 6 schedules following them were added on to the Bill.

Preamble and Title.

The question that the Preamble and the Title stand part of the Bill was put and carried.

The Preamble and the Title were added to the Bill.

Mr. Puthupalli S. Krishna Pillai: Sir, I beg to move that the Travancore Insurance Bill be passed.

Mr. C. V. Chandrasekharan: Sir, I second it.

The question that the Travancore Insurance Bill be passed was put and carried. The Bill was passed.

THE TRAVANCORE TELEPHONE BILL.

Mr. Puthupally S. Krishna Pillai: Sir, I beg to introduce the Travancore Telephone Bill as passed by the Assembly. Honourable Members are aware of the fact that the Trunk Telephone System has already begun to work in the State and several members must certainly be enjoying the benefit arising therefrom. At the time the Government brought forward the proposals and this House voted in support of it, there was one defect and

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